## <u>REMARKS</u>

The Examiner has required a restriction between the claims of Group I (Claims 1-47 and 52-72) and the claims of Group II (claims 48-51). The requirement is respectfully traversed. Reconsideration and withdrawal thereof are respectfully requested.

Applicants submit that all the claims should be examined together in this one application. The Group II claims are directed to lipid derivatives *per se*, but these are the same lipid derivatives which are useful in the drug delivery system and methods of use claimed in Group I. Applicants submit that the claims are, therefore, sufficiently linked to be examinable in this single application. Nevertheless, in order to fully respond to the requirement, Applicants provisionally elect to prosecute the claims of Group I (claims 1-47 and 52-72).

The Examiner has also required an election of species as set forth on the bottom of page 3 of the Office Action. In response thereto, Applicants elect the species in Group I identified as species (a), namely claims 1-24; and Applicants elect the additional species in Group I identified as species (a) namely wherein X and Z are each O.

With respect to the election of species requirement, while Applicants have complied with the requirement by electing a species, once this species is found to be allowable over the prior art, the Examiner must then proceed to examine other species and, ultimately, Applicants' generic claims. (See MPEP § 803).

Finally, claims 1-47 and claims 52-74 are readable on the elected species, and new claims 73 and 74 are specifically directed to the species wherein X and Z are each O.

Favorable action and early allowance of all the claims are requested.

Should there be any outstanding matters that need to be resolved in the present application, the Examiner is respectfully requested to contact Leonard R. Svensson, Registration

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No. 30,330 at the telephone number of the undersigned below, to conduct an interview in an effort to expedite prosecution in connection with the present application.

If necessary, the Commissioner is hereby authorized in this, concurrent, and future replies, to charge payment or credit any overpayment to our Deposit Account No. 02-2448 for any additional fees required under 37 C.F.R. § 1.16 or under § 1.17; particularly, extension of time fees.

Dated: June 12, 2007

Respectfully submitted,

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